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19 October 1953

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: WIL-99: Estimate of the World Situation

Background

1. This is the first Estimate of the World Situation which the Board has undertaken to coordinate with the IAC agencies.
2. While the deliberations were lengthy and at times it appeared that parts of the estimate would be damagingly watered-down through coordination, the Board is convinced that (a) the paper is now better for having been coordinated, and, (b) the exercise was good for all participants.

Substance

3. Agreement has been reached on practically the whole of the present text. Below are listed those points on which some modification may be urged at the IAC meeting:

a. General. Some representatives feared that the reported use of the phrases "ostensibly conciliatory tactics of the USSR" and "reduced apprehension of general war" implies an estimate of a soft Soviet policy.

b. Paragraph 4. There were two problems raised concerning Soviet nuclear capabilities: (1) To what extent does the growing Soviet capability in nuclear weapons nullify the US advantage in possessing larger numbers of these weapons? (2) Under what conditions might atomic blackmail succeed in forcing our allies to adopt a neutral position?

c. Paragraph 6. State thinks we overestimate the significance of recent economic developments in the USSR. They doubt that many resources will be diverted to agriculture or consumer goods. They believe that such diversion as takes place will not affect the rate of growth of heavy industry or of conventional armaments.

d. Paragraph 31. There were two chief problems about future developments in Indochina: (1) Will the next two years see a decisive change in the situation (i.e., either

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a French victory enabling them to consolidate their position or a Viet Minh victory forcing French negotiations for a withdrawal) or will there be a stalemate? (2) Will the French seek a negotiated settlement in any case?

3. Paragraph 36. In view of recent developments, G-2 questions the estimate that "the Arab-Israeli dispute will continue but a renewal of large-scale hostilities remains unlikely".

4. All the above points were argued at great length during our meetings with the IAC representatives. The present text reflects the broadest basis for agreement consistent with Board thinking.

SHERMAN WEIT
Assistant Director
National Estimates

JS:PAB:le
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Reading Rm.

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